

Seckman, J

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

DATE FILED: 1/30/08

FRONT CARRIERS LTD.,

Plaintiff,

-against-

TRANSFIELD ER CAPE LTD. and
TRANSFIELD ER LIMITED,

Defendants.

07 Civ. 6333 (RJS)

**CONSENT ORDER DIRECTING
THE TRANSFER OF FUNDS
SUBJECT TO RULE B(1)
ATTACHMENT AND A RULE E(7)
COUNTERSECURITY ORDER
AND DEPOSIT SAME TO ESCROW
ACCOUNT**

WHEREAS on or about July 11, 2007, Front Carriers Limited ("FCL") instituted this action against Transfield ER Cape Ltd. ("Transfield"), pursuant to Rule B of the Supplemental Rules for Certain Admiralty and Maritime Claims of the Federal Rules of Civil Procedure;

WHEREAS, on or about October 26, 2007, FCL filed a Second Amended Complaint naming Transfield ER Limited as a Defendant in this action (collectively "Defendants");

WHEREAS, FCL has served Process of Maritime Attachment and Garnishment (the "PMAG") on various garnishees including Bank of America, Citibank, HSBC Bank USA, and JP Morgan Chase, ("Garnishees");

WHEREAS, pursuant to service of the PMAG upon it Garnishees have confirmed that they are holding certain funds in the form of an electronic funds transfer ("EFT") belonging to the Defendants, Transfield and/or Transfield ER Limited, respectively, in the sum of \$15,101,338.00 (the "Transfield Funds");

WHEREAS, on or about October 5, 2007 Transfield filed an Answer and Counterclaim against FCL pursuant to Rule E(7) of the Supplemental Rules for Certain Admiralty and Maritime Claims of the Federal Rules of Civil Procedure;

WHEREAS, on or about November 16, 2007, this Court ordered FCL to post countersecurity in the amount of \$5,210,280.00;

WHEREAS, pursuant to this Court's November 16, 2007, Order FCL transferred \$5,210,280.00 into an interest-bearing account at JP Morgan Chase in New York (the "FCL Funds") and (the "Countersecurity Bank Account");

WHEREAS, FCL and Transfield have entered into an Escrow Agreement on December 28, 2007 ("Parties Escrow Agreement") to permit the transfer of the Transfield Funds and the FCL Funds into interest bearing escrow accounts at JPMorgan Chase Bank and the subsequent distribution of those funds upon the occurrence of certain events described in the Parties Escrow Agreement;

WHEREAS, JPMorgan Chase Bank has agreed to act as the escrow agent with respect to Transfield Funds and FCL Funds, with accrued interest, pursuant to an escrow agreement dated January 23, 2008 ("Bank Escrow Agreement"); and

WHEREAS, JPMorgan Chase Bank has established an account ("Transfield Escrow Account") for the deposit of the Transfield Funds and a second account for the deposit of the FCL Funds.

NOW, THEREFORE, it is hereby Ordered that:

1. Each of the Garnishees shall transfer all of the Transfield Funds it is holding pursuant to the PMAGs served upon them by Electronic Funds Transfer to the Transfield Escrow Account, as will be identified in a joint letter signed by counsel for FCL and Defendants and sent to Garnishees after the issuance of this Consent Order.

2. FCL will cause the FCL Funds to be transferred from the Countersecurity Bank Account to the Escrow Account, as will be identified in a joint letter signed by counsel for FCL and Defendants and sent to the JPMorgan Chase Bank after the issuance of this Consent Order.

3. The Escrow Agent shall maintain the Transfield Funds and the FCL Funds as security for FCL's claims and Transfield ER Cape Ltd.'s counterclaims as more fully set forth in the Bank Escrow Agreement and the Parties Escrow Agreement, the terms of each of which are incorporated by reference herein.

4. This matter be placed on the suspense docket subject to reinstatement by application of FCL or Defendants.

Dated: New York, New York

~~December~~ 29, 2008
January

HOLLAND & KNIGHT LLP
Attorneys for Plaintiff
Front Carriers Ltd.

By: 

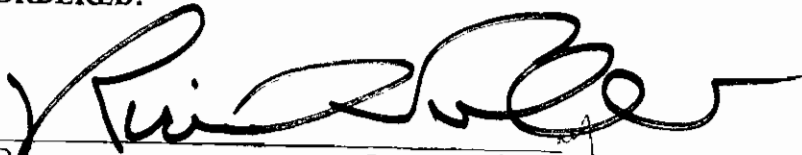
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SO ORDERED:


U.S.D. _____ Date 1/30/08

The parties are to submit
a joint letter by March 1, 2008,
and every 60 days thereafter,
setting forth the status of
this matter.